

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Bobby Magee  
District General Manager

**FROM:** Timothy Sands  
General Manager of Golf Operations

**SUBJECT:** Discussion and Direction Regarding New Policy on Clubs

**DATE:** July 10, 2024

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**I. RECOMMENDATION**

That the Board of Trustees discuss and provide direction to staff regarding the attached draft policy on clubs.

**II. BACKGROUND**

During the Board of Trustees Town Hall Meeting, the Board of Trustees discussed putting together a District-wide Policy that will provide guidelines, and outline the district requirements for all clubs. The synopsis of the meeting states:

*We are hoping that the policy will address how to become a club, across the whole District (not just our Golf Clubs). The Policy will ensure transparency so that the district can then provide a list of all Clubs that operate within the district to the community, and the benefits that they receive.*

Staff have been working on identifying current District practices with respect to clubs and community groups, some of which are not memorialized in existing policy. The District has several policies that potentially relate to the subject of clubs:

- *Policy for Pricing Products and Services Practice 6.2.0.* This policy governs the philosophy by which the District will set prices for goods and services and is presently undergoing a complete rewrite.
- *Policy and Procedure No. 141, Resolution 1895, Complimentary and Discounted Use of District Facilities and Programs.* This policy allows for complimentary or discounted use of District facilities and programs for a

“local non-profit, national non-profit with a local chapter, local government agency or school district providing services to the local community [defined as Incline Village/Crystal Bay].” It has been the direction of the Board to incorporate this Policy and Procedure into the newly drafted Practice 6.2.0

- *Policy and Procedure No. 134, Service of Alcoholic Beverages at IVGID Facilities.* In general, this policy requires that facility renters who serve alcohol contract with IVGID’s Food and Beverage Department, or contract with a caterer/outside vendor for bar service. For “fundraiser” events where the major proceeds are “for the benefit of Incline Village or Crystal Bay residents,” and are not for the benefit of the sponsoring organization, and are pre-approved by the General Manager or Board of Trustees, the District may waive service charges imposed for use of bar facilities provided the events are held on specific days. The policy includes a non-exclusive list of organizations that “may be eligible.”

In terms of developing a policy governing clubs, the District is a governmental agency and is limited by the First Amendment from adopting programs or policies that infringe on the right of free association. Accordingly, the District has no reason to regulate how individuals form clubs or who can be a member of any particular club. However, the District can determine what sort of benefits it provides to clubs, including discounts, preferential reservation times, etc., and on what terms.

### III. DECISION POINTS NEEDED BY THE BOARD OF TRUSTEES

Staff seek direction from the Board related to key policy issues to include in the Policy:

- What sort of benefits does the District want to provide? Potential matters to include in the policy are:
  - Tee time reservations for clubs — when?
  - Food service discounts
  - Prioritization for venue rental, and venue rental discounts, if any
- What kind of organizations are eligible for benefits under the policy?
  - Existing district policies, including the policy of *Discounted Use of Facilities and Programs* often limit benefits to organizations that meet requirements in Internal Revenue Code section 501(c)(3). This is limited to “[c]orporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment)” that is not involved in political campaigning.

- Recreational and pleasure clubs are exempt under IRC section 501(c)(7), not 501(c)(3). Civic leagues (which may include recreational leagues) are exempt under IRC section 501(c)(4).
- In Nevada, many clubs may be unincorporated associations that are never formally established and have no corporate structure. (See NRS 81.740). Most of these organizations will never obtain a tax-status determination from the IRS if they have no income (e.g. organizations that do not collect dues).
- Minimum membership size?
  - Typically, the reasoning for why a club may be given a discounted rate is to drive additional utilization, with the clubs providing the benefit of driving additional usage by members.
- Will the District require that clubs be composed with a certain percentage of residents in order to obtain beneficial treatment?
  - Note this will create enforcement challenges, as club membership is likely to change over time, and District staff will likely not have resources to investigate residency beyond immediately available public record.
  - While the District should not make rules as to who can join a club, it can make rules that clubs must have a certain composition of residents to obtain discounts, for example.

#### **IV. CONSIDERATIONS TO TAKE UNDER ADVISEMENT**

Staff recommend that the policy provide the same benefits for all eligible clubs regardless of club purpose or membership, for purposes of equity, to avoid perceptions of preferential treatment to any group, and to avoid issues that may arise under the First Amendment.

Staff recommend that the policy also identify that the District will not be responsible for cash handling, collection of dues, purchases, membership payments, and that clubs will not be able to use District purchasing, as clubs are normally legally separate organizations.

#### **V. FINANCIAL IMPACT AND BUDGET**

Presently, undetermined.

#### **VI. BUSINESS IMPACT**

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

**VII. ATTACHMENT**

Draft club policy

**POLICY AND PROCEDURE RESOLUTUION NO. \_\_\_\_**

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION THAT ESTABLISHES GUIDING PRINCIPLES FOR CLUBS  
USING DISTRICT FACILITIES**

**I. DEFINITIONS**

Definition of a club – an association or organization dedicated to a particular interest or activity, i.e. "a photography club".

Definition of a recreation program – Recreation programming is "designing, staging, and delivering leisure opportunities by intervening in social interactions; by manipulating and creating environments in a manner that maximizes the probability that those who enter them will have the leisure experience they seek". For IVGID, this means support via funding and staffing.

Definition of a facility - All District facilities.

**II. RESPONSIBILITIES OF A CLUB**

Responsibilities for a Club that uses District facilities, i.e. the Chateau, Championship Golf Course, Recreation Center, Mountain Golf Course, etc. are as follows:

- A. Each club must pay some amount for the use of any IVGID facility.
- B. Each club must identify themselves to the applicable IVGID Director as either a social club or a recreational club. This is a self-identification decision.
- C. 75% of the club membership must be picture pass holders in order to receive the benefits offered by IVGID. It is up to the club leadership to submit a written verification of this requirement to the applicable IVGID Director.
- D. By-laws, rules and/or requirements to join for each club must be submitted to the applicable IVGID Director and such by-laws will become a public record available to anyone who requests them.
- E. Membership lists for each club must be submitted to the applicable IVGID Director and such membership lists will become a public record available to anyone who requests them.

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- F. The applicable Director has the authority to approve or deny the request of any club, when forming. If the applicable Director denies a request to form a club, the club requestor can make a written appeal to the IVGID Board of Trustees which may be taken up at their next meeting depending on the agenda for that meeting. If the Board of Trustees cannot agendize this appeal at their next meeting, then it will be agendized for their following meeting. Under no circumstances will the appeal request be carried forward for longer than four Board of Trustees meetings.

**III. RESPONSIBILITIES OF IVGID**

IVGID will not be responsible for cash handling, collection of dues, purchases necessary for operating the club, payments to IVGID, etc. for a club.

IVGID will be responsible for handling dues, purchases, payments, etc. for a Recreational Program assuming that this Recreational Program collects dues from its participants which IVGID will also handle.

**IV. DISSOLUTION OF A CLUB**

Dissolution of a Club shall be the sole responsibility of the Club members themselves. The responsibility of the Club is that they must notice the applicable Director of their decision to dissolve and do so immediately upon making that decision. The applicable Director will then notify the District General Manager or their designee who in turn will notify the Board of Trustees.

**V. GOLF CLUBS**

- A. Golf Clubs need to be aware that the IVGID golf courses are paid for and maintained through a variety of revenue sources. Therefore, IVGID encourage that all golf clubs have open membership policies.
- B. Existing golf clubs at this time, known to IVGID, are Incline Village Golf Club (IVGC), Incline Village Golf Club Ladies (IVGCL), Polo Club, Teesters, Tahoe Incline Golf Club (TIGC), Mountain Niners, Working Bears, and Golfers of Incline.

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- C. Tee time allocations to each club at each IVGID golf course will be made based on past usage and ancillary revenue generating activities, i.e. tournaments, lunches, special events, etc. It is up to the applicable Director to provide the recommendation for each golf club 90 days following the end of the golf season for the upcoming golf season.
  
- D. Creation of new clubs will be done by; petitioning the Board of Trustees for adoption, following Policy 3.1.0 clubs will prepare the required backup material that must include, at a minimum, appropriate level of PPH at the time of petition.

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